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C O N F I D E N T I A L SECTION 01 OF 02 ROME 000439

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DEPT. FOR ISN/NESS (WHAMMACK, EUR/WE (FETCHKO), AND EUR/PRA (JCONLON), DOE FOR NNSA/NA-212 (TANNO)

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TAGS: [ENRG](#) [KNNP](#) [KSTC](#) [IT](#) [ITALY](#) [NATIONAL ELECTIONS](#)

SUBJECT: DISPOSITION OF ELK RIVER SPENT NUCLEAR FUEL:  
LETTER FROM U/S OF THE COUNCIL OF MINISTERS GIANNI LETTA TO  
AMBASSADOR

REF: 04 ROME 003592

Classified By: AMBASSADOR RONALD P. SPOGLI, FOR REASONS 1.4 (B) AND (D)

11. (C) SUMMARY AND ACTION REQUEST: On February 6, the Ambassador received a letter from Gianni Letta, Under Secretary to the Council of Ministers requesting assistance

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to return to the United States 64 thorium-uranium bundles of spent nuclear fuel (SNF) originally from the Elk River, MN plant. Letta requested a response by the end of February. The Under Secretary made the same request directly to the Department of Energy (DOE) in August 2004 (reftel), but in January 2005, former Secretary of Energy Abraham responded that after thorough technical and legal review, the DOE could not accept the spent nuclear fuel under any existing programs. The reason the GOI has repeated the request on an urgent basis is because the issue is politically sensitive for Prime Minister Berlusconi's center-right coalition, which is facing a tough battle for re-election in April. With the election looming, Letta writes, the GOI will be "'forced'" to transfer the Elk River SNF to Russia if it cannot be repatriated to the United States. An unofficial translation of Letta's letter (para. 2-5), along with the Ambassador's proposed reply (para. 9-11) follow. ACTION REQUEST: Department please review U/S Letta's letter and proposed response from the Ambassador in paragraphs 9 through 11, and provide comments/clearance by February 17. END SUMMARY AND ACTION REQUEST.

BEGIN TEXT OF INFORMAL EMBASSY TRANSLATION

12. (C) Dear Mister Ambassador,  
I am writing you to call your attention to an issue about which your embassy has probably already informed you. It is a very important issue for the (Italian) government even from the psychological point of view. We will soon be sending our nuclear waste currently stored in Piedmont and Emilia Romagna to France. The spent fuel will remain in France until 2025 at least, when Italy should have its own nuclear waste storage site. This is causing protests in the South. In fact, sixty-four thorium-uranium bars of spent fuel are stored in the ITREC (Trisaia Research Center) site at Rotondella (in the province of Matera), and these bars cannot be reprocessed in Europe. These came to Italy from the U.S. Elk River Plant in 1970, during a joint project, which was later abandoned, between CNEN (now ENEA - the Agency for New Technologies, Energy and the Environment) and the AEC (Atomic Energy Commission) (now DOE). Hundreds of such bars (which contain uranium-235 at 93% and even up to 95% when combined with thorium, are currently stored at the U.S. Savannah River site.

13. (C) We have asked the U.S. authorities (the President and DOE) to bring to that site also the few bars stored at Rotondella, which are contained in two casks made according to U.S. requirements for storage and transport. Italy will provide full funding for the operation. As you can see, it is a small thing. But if the practical issue is painless, the psychological and thus political impact is the opposite. The issue has been used already by local and national opposition forces, which state that the Berlusconi government supports the north more than the south.

14. (C) On November 9, 2005, the President of SOGIN (the Agency for Administration of Nuclear Plants) repeated the same request to the Department of Energy and other embassy representatives, underlining that Italy needed a reply by the end of February. If not received by then, reasons of

relevant opportunity - in practice, in order to avoid demonstrations - would force us to transfer the two casks to Russia for about fifty years. A company of Rosatom (formerly Minatom) has already shown interest in storing the two casks for a decidedly modest price. Given the military level of enriched uranium in the ITREC bars, the operation could be included under the Global Threat Reduction initiative, since, as I have said, the fuel came from a U.S. plant. SOGIN is available to provide you with all the details. The U.S. decision could be made known at a public meeting to which I would invite local and neighboring regional authorities and the media.

15. (C) Being sure of your interest in this matter, I thank you in advance on behalf of the government, and underline once again that we need an answer by the end of February. With warm regards, //ss// Gianni Letta.  
END TEXT OF INFORMAL EMBASSY TRANSLATION.

COMMENT  
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16. (C) The south, especially the region of Puglia which adjoins Matera to the east, will be a key battleground in the April 9 elections. Hence the Berlusconi government's interest in defusing the potentially negative publicity that could ensue from demonstrations over the spent fuel issue.  
END COMMENT.

17. (C) We want to respond in a timely manner to Under Secretary Letta. He is one of the best and senior-most

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contacts for the embassy, and is someone to whom we turn for help on issues critical to the U.S. interest. U.S.-Italy relations traditionally have been strong regardless of the party in power, but have been especially close under Prime Minister Berlusconi and his center-right coalition government. Berlusconi's close personal relationship with the President is a key factor in maintaining Italian military contributions in Iraq in the face of significant popular opposition, and reflects our strong bilateral cultural and historical ties. Italy also provides other funding and troops (over 10,000 total peacekeeping troops deployed worldwide), including assets in Afghanistan, the Balkans, and Darfur.

GLOBAL THREAT REDUCTION INITIATIVE  
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18. (C) We understand, based on Secretary Abraham's January 2005 letter and on DOE's November discussions with SOGIN on the Global Threat Reduction Initiative (GTRI) "gap" materials disposition program, that DOE does not consider the Elk River SNF sufficiently "high-risk" to be given priority under GTRI programs at this time. We propose the following response to Under Secretary Letta.

PROPOSED RESPONSE FROM AMBASSADOR TO U/S LETTA  
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BEGIN PROPOSED TEXT:

19. (C/Releasable to Italy) Dear Under Secretary Letta:

Thank you for your letter of February 6 concerning the disposition of uranium-thorium spent nuclear fuel stored at the ITREC (Trisaia Research Center) at Rotondella, in the province of Matera. I have been fully briefed on the history of the efforts to repatriate this material, originally from the Elk River nuclear plant, to the Savannah River National Laboratory in Aiken, South Carolina.

110. (C/Releasable to Italy) I can assure you that we understand the government of Italy's pressing need to find a disposition path, and I have followed up carefully on this issue with the Department of Energy (DOE). The Office of Global Nuclear Material Threat Reduction of the National Nuclear Security Administration (NNSA) has carefully reviewed your request. DOE officials reviewed the matter again after NNSA representatives met with the President of SOGIN last November. And I have inquired myself. Unfortunately, there has been no change in the Department of Energy's position that it cannot accept the Elk River material.

111. (C/Releasable to Italy) As you know, the United States

greatly values its strong partnership with Italy on nonproliferation cooperation and on the development of nuclear science and technology for peaceful purposes. We have tried to be helpful where possible on the difficult issue of nuclear waste disposal. In this case, although the answer is negative, I wanted to be sure to respond expeditiously, so that you could proceed if necessary with the alternate remedies you described in your letter.

(Complimentary close)

END PROPOSED TEXT.

SPOGLI

" Classification: UNCLASSIFIED

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